

AMENDED IN ASSEMBLY APRIL 6, 2011

CALIFORNIA LEGISLATURE—2011–12 REGULAR SESSION

ASSEMBLY BILL

No. 226

Introduced by Assembly Member Solorio

February 2, 2011

An act to amend Section 995 of the Unemployment Insurance Code, relating to unemployment insurance.

LEGISLATIVE COUNSEL'S DIGEST

AB 226, as amended, Solorio. Unemployment insurance: reporting requirements: status of funds.

Existing unemployment insurance law requires the Employment Development Department to submit to the Legislature in May and October of each year a report on the status of the Unemployment Fund and the Unemployment Compensation Disability Fund, containing actual and forecasted information on *the each* fund, as specified.

This bill would additionally require the department, whenever the Unemployment Fund ~~contains~~ *indicates* a negative balance, to include in the status report on the Unemployment Fund ~~an estimate of the change in the taxable wage ceiling or tax rates necessary to return this fund to solvency within 5 years~~ *the estimated impact on employers from the changes in a specified federal tax credit, any estimated impact on employees, and the estimated impact on the General Fund that would result pursuant to existing law if the Unemployment Fund is not returned to solvency within 7 years.*

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

SECTION 1. Section 995 of the Unemployment Insurance Code is amended to read:

995. (a) Notwithstanding Section 10231.5 of the Government Code, the department shall submit to the Legislature in May and October of each year a report on the status of the Unemployment Fund and the Unemployment Compensation Disability Fund. Each report shall include both actual and forecasted information on the fund balances, receipts, disbursements, claim data, tax rates, and employment levels.

~~(b) Whenever the Unemployment Fund contains a negative balance, the department shall include in the status report on the Unemployment Fund an estimate of the change in the taxable wage ceiling or tax rates necessary to return this fund to solvency within five years.~~

(b) Whenever the Unemployment Fund indicates a negative balance, the department shall include in the status report on the Unemployment Fund the estimated impact on employers from the changes in the Federal Unemployment Tax Act (FUTA) tax credit, any estimated impact on employees, and the estimated impact on the General Fund that would result pursuant to existing law if the Unemployment Fund is not returned to solvency within seven years.

(c) For purposes of this section, "solvency" means that the Unemployment Fund contains a positive balance so that this fund is able to pay all of its obligations during the calendar year.